profits during the last three years. Indian Bank has been posting operating profit and is expected to post net profit during the current financial year.

Tax on tobacco export earnings

67. DR. ALLADI P. RAJKUMAR:
SHRIMATI JAYAPRADA NAHATA:

Will the Minister of FINANCE be pleased to state:

(a) whether Andhra Pradesh virtually lost Rs. 300 crore due to tobacco crop holiday declared last year;

(b) whether tobacco farmers submitted a memorandum seeking a cut in tax on export earnings; and

(c) if so, the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) No. The direct losses for not growing tobacco last year were more or less off set by raising alternative crops successfully in most of the areas and taking good returns from them. Indirect benefits accrued to soil and environment through crop rotation and breaking the cycle of mono cropping of tobacco will definitely out weigh direct losses. Further, even the crop holiday decision has not resulted in liquidation of the old stocks held by exporters and dealers in the market, a major problem plaguing the industry. In the present circumstances, it can be safely concluded that a major crisis has been avoided by not growing tobacco during last year.

(b) The memorandum does not seek a cut in tax on export earnings.

(c) Does not arise.